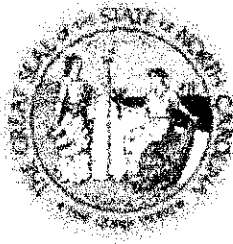


Bernadine S. Ballance, Commissioner
Thomas J. Bolch, Commissioner
Laura K. Mavretic, Commissioner
Renée C. Riggsbee, Commissioner



Mike Easley, Governor
Buck Lattimore, Chairman
Christopher Scott, Commissioner
Dianne C. Sellers, Commissioner

North Carolina Industrial Commission

Order Adopting Hospital Fees For Workers' Compensation Cases

The North Carolina Industrial Commission published a "**PUBLIC NOTICE OF RULE-MAKING BY THE NORTH CAROLINA INDUSTRIAL COMMISSION CONCERNING ESTABLISHMENT OF HOSPITAL FEES FOR WORKERS' COMPENSATION CASES**" in the *North Carolina Register* on April 15, 2002 and on the Industrial Commission's web site continuously from March 20, 2002 through June 15, 2002.

Pursuant to the Notice, a Public Hearing was held on Tuesday, April 30, 2002, at 9:30 a.m. in the Industrial Commission Hearing Room, located on the second floor of the Dobbs Building, 430 N. Salisbury Street, Raleigh, NC. All seven members of the Industrial Commission were in attendance. Attorneys Linwood Jones, representing the Hospital Association, and Bill Scoggin, representing the American Insurance Association, appeared at the Public Hearing and offered comments in behalf of the proposed hospital fee methodology. The record of the Public Hearing was held open for written comments through the close of business on June 15, 2002.

After careful review of the record, **the Commission adopts the following:**

Method of Determining Hospital Fees in North Carolina Workers' Compensation Cases

In establishing Hospital Fees for the remainder of the year 2002 and following, the Industrial Commission will continue to use the Diagnostic Related Grouping (DRG) methodology and DRG band that was in effect immediately preceding the Rule-Making. That band is 77.07% to 100% of the UB92 hospital bill. DRG's falling within the band will be approved at whatever they are; DRG's falling below 77.07% will be increased to 77.07%; DRG's exceeding 100% will be reduced to 100%.

Outpatient facility fees and outpatient ancillary charges shall continue to be 95% of these charges billed.

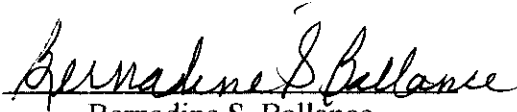
The foregoing shall become effective **July 15, 2002**.

The Industrial Commission takes this action pursuant to Sections 97-26 and 97-80(a) of the North Carolina General Statutes.

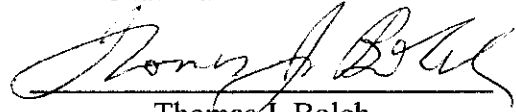
This 24th day of June 2002.



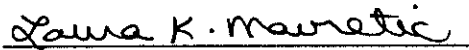
Buck Lattimore
Chairman



Bernadine S. Ballance
Commissioner



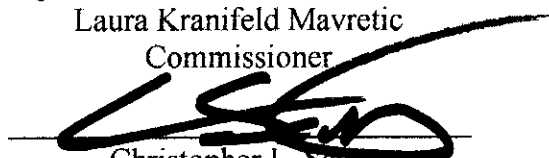
Thomas J. Bolch
Commissioner



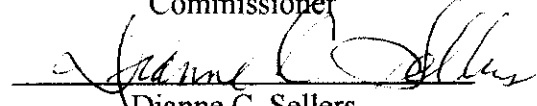
Laura Kranifeld Mavretic
Commissioner



Renée C. Riggsbee
Commissioner



Christopher L. Scott
Commissioner



Dianne C. Sellers
Commissioner